



Risk Management Offers Broad Payoffs



Risk management really has no boundaries. Even routine tasks can benefit from maintaining a successful operational risk management (ORM) program. After once missing a flight from Los Angeles due to traffic congestion, I devised a risk management plan for my business travel. I now schedule my flights around rush-hour traffic. On the night before I leave to return home, I transfer to a hotel just outside of the airport. I also ask around to make sure I know how much time it takes to get through ticketing and security at the airport under the new homeland security measures. By thinking through the potential snags in my travel plans, I can avoid a costly delay in reuniting with my family back home.

Over the last several years, the Air Force has required all levels of the agency to implement ORM. Despite the policy and mandatory training, it is still uncommon for organizations to institutionalize risk management, let alone consider simple, day-to-day changes to reduce risk. Many of these organizations stop at a risk management plan for their organization.

Risk management is not a program to fill a policy, a Capability Maturity Model® objective, or other square: It is good business. Mature software organizations serious about managing risk instill processes that manage it at the project level. Key elements included in an effective risk management plan are to implement process at the project level, not just the organizational level; identify who can accept what risk; evaluate probability and consequence; include a mechanism for recurring evaluation of risk; track risk mitigation; and provide ownership to project members for identifying and managing risk.

ORM is a process of identifying and controlling hazards – something each of us deals with daily in our personal lives and at the workplace. As professionals, we owe it to our ultimate customers – the warfighters – to deal effectively with risks and increase the probability of their successful missions.

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Exercising Risk Management Skills



In last month's issue, we published a policy memorandum titled "Revitalizing the Software Aspects of Systems Engineering." Risk management, one of the 10 software focus areas highlighted in this memo, is the theme of this month's issue. Where does one start to revitalize this important management practice? Informing, educating, and reminding your workforce is one place, and CROSSTALK can help. This month we include several articles describing both the basics of an effective risk management process and how a variety of projects are employing and benefiting from risk management. Risk management challenges are also presented, and authors are quick to point out that this practice isn't easy due to the uniqueness of system program risks.

I'd like to share a few thoughts that might be helpful as you evaluate your risk management activities or lack thereof. Take a minute and compare risk management to exercise. You'll probably agree that our personal lives are so busy that we struggle to find even a spare hour to devote to exercise. But we all know it's a continuous requirement for our bodies to be physically fit and healthy. We also hear how exercise is a critical issue with our youth today – they need plenty of exercise, too. So, if you are a project manager and your daily routine seems too full to squeeze in another task, think about setting project time aside to exercise your risk management skills. And don't do it alone; involve your teams and make it a routine for all.

I hope you find this month's issue a good reminder of why practicing risk management is critical to a healthy and successful program.

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Publisher